

ORIGINAL



0000166360

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2015 OCT -5 P 2:53

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

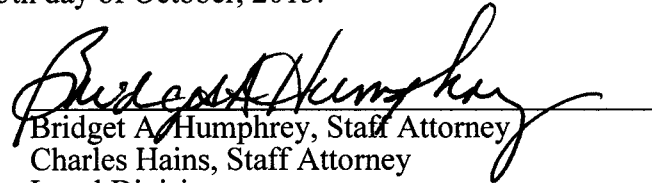
IN THE MATTER OF THE APPLICATION OF
ARIZONA ELECTRIC POWER COOPERATIVE,
INC. FOR A HEARING TO DETERMINE THE
FAIR VALUE OF ITS PROPERTY FOR
RATEMAKING PURPOSES, TO FIX A JUST AND
REASONABLE RETURN THEREON AND TO
APPROVE RATES DESIGNED TO DEVELOP
SUCH RETURN.

DOCKET NO. E-01773A-12-0305

**STAFF'S NOTICE OF FILING
WITNESS SUMMARIES**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission")
hereby files the testimony summaries of Staff witness Candrea Allen in the above-referenced matter.

RESPECTFULLY SUBMITTED this 5th day of October, 2015.


Bridget A. Humphrey, Staff Attorney
Charles Hains, Staff Attorney
Legal Division

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

ORIGINAL and thirteen (13) copies
of the foregoing were filed this
5th day of October, 2015 with:


Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

OCT 5 2015

COPY of the foregoing **emailed** this
5th day of October, 2015 to:

DOCKETED BY	
-------------	---

Jennifer Cranston
GALLAGHER & KENNEDY, P.A.
2575 E. Camelback Road
Phoenix, AZ 85016-9225
Attorneys for AEPCO
jennifer.cranston@gknet.com

1 **COPY** of the foregoing **mailed**
this 5th day of October, 2015 to:

2 Michael W. Patten
3 SNELL & WILMER, L.L.P.
4 One Arizona Center
400 East Van Buren Street
Phoenix, AZ 85004
5 Attorneys for Trico
mpatten@swlaw.com

6 Vincent Nitido
7 Karen Cathers
Trico Electric Cooperative, Inc.
8 8600 W. Tangerine Road
P.O. Box 930
9 Marana, AZ 85653
vnitido@trico.coop
10 kcathers@trico.coop

11 Jeffrey W. Crockett
CROCKETT LAW GROUP PLLC
12 1702 E. Highland Avenue, Suite 204
Phoenix, AZ 85016
13 Attorneys for SSVEC
jeff@jeffcrockettlaw.com

14 Kirby Chapman
15 SSVEC
322 E. Wilcox Drive
16 Sierra Vista, AZ 85635
kchapman@ssvec.com

17 Michael A. Curtis
18 William P. Sullivan
CURTIS, GOODWIN, SULLIVAN,
19 UDALL & SCHWAB, P.L.C.
501 East Thomas Road
20 Phoenix, AZ 85012-3205
Attorneys for Mohave Electric
21 Cooperative, Incorporated
Mcurtis401@aol.com
22 wsullivan@cgsuslaw.com

23 Tyler Carlson, Chief Operating Officer
Peggy Gilman, Manager of Public
24 Affairs & Energy Services
Mohave Electric Cooperative, Incorporated
25 P.O. Box 1045
Bullhead City, AZ 86430
26 tcarlson@mohaveelectric.com

27
28 Monica A. Martinez

1 **SUMMARY OF STAFF REPORT OF CANDREA ALLEN**
2 **ARIZONA ELECTRIC POWER COOPERATIVE, INC.**
3 **DOCKET NO. E-01773A-12-0305**

4 Arizona Corporation Commission ("Commission") Decision No. 74173, dated October 25,
5 2013, was held open until April 30, 2014, to allow Arizona Electric Power Cooperative, Inc.
6 ("AEPCO"), to file a proposed Environmental Compliance Adjustment Rider ("ECAR") tariff and
7 Plan of Administration ("POA"), for Commission approval. On April 30, 2014, AEPCO filed, for
8 Commission approval, its proposed ECAR tariff and POA.

9 Staff recommends approval of the ECAR surcharge mechanism. However, AEPCO is
10 proposing to recover the costs for associated chemical expenses, which Staff initially did not believe
11 should be recovered through the ECAR.2. Staff recommends that upon completion/ termination of an
12 ECS Plan, after any remaining funds have been refunded to the distribution cooperative members,
13 and rates are returned to zero (as described above), AEPCO should be required to file the revised
14 ECAR tariff reflecting the zero rates, as a compliance item to the Decision approving the
15 corresponding ECAR tariff, within 30 days of the surcharge rates going to zero.

1 **SUMMARY OF TESTIMONY OF CANDREA ALLEN**
2 **ARIZONA ELECTRIC POWER COOPERATIVE, INC.**
3 **DOCKET NO. E-01773A-12-0305**

4 Staff's testimony details Staff's position and recommendations relating to Arizona Electric
5 Power Cooperative, Inc.'s ("AEPCO") request to recover the costs for chemical expenses associated
6 with the Environmental Protection Agency Regional Haze and Mercury and Air Toxics Standards
7 environmental compliance requirements through its proposed Environmental Compliance Adjustment
8 Rider. Staff believed and continues to believe that the intention behind how the surcharge should be
9 implemented and the types of costs allowed to be recovered through such a surcharge should remain
10 consistent across utilities. However, given the amount of the cost estimates for chemical expenses
11 and the impact these costs could have on AEPCO financially, if not recovered, Staff believes
12 recovery of the chemical expenses through the ECAR is appropriate.

13 In addition, Staff addresses the changes AEPCO is proposing to its Tariff and Plan of
14 Administration. Staff believes the proposed changes to the ECAR Tariff and POA are appropriate.
15 Staff recommends approval of the proposed changes.